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Senate

The Senate met at 9:32 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear Father, we need You. In Your presence we feel Your grace. We are assured that we are loved and forgiven. You will replenish our diminished strength with a fresh flow of energy and resiliency. The tightly wound springs of tension within us are released and unwind until there is profound peace inside. We relinquish our worries to You and the anxiety drains away. We take courage because You have taken hold of us. We spread out before You the challenges of the day ahead and see them in the proper perspective of Your power. We dedicate ourselves to do things Your way under Your sway. And now, Your joy that is so much more than happiness fills us and we press on to the work of the day with enthusiasm. It's great to be alive! Amen.

PLEDGE OF ALLEGIANCE

The Honorable GEORGE V. VOINOVICH, a Senator from the State of Ohio, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from New Mexico is recognized.

SCHEDULE

Mr. DOMENICI. Mr. President, on behalf of the leader, I have an announcement. Today, the Senate will begin

consideration of S. Con. Res. 101, the budget resolution. Amendments will be offered throughout the day. Therefore, Senators can expect rollcall votes occurring during today's session. Those Senators who intend to offer amendments should work with the chairman and ranking member on a time to offer and debate their amendments.

As a reminder, votes will occur throughout the week in an effort to complete action on the budget resolution no later than the Friday session of the Senate. If we are diligent, we might finish Friday night, although we do have a total of 50 hours of debate and there are certain conditions that make that a little bit longer than 50 hours in terms of adding up time on the floor.

As a further reminder, the Senate will recess from 12:30 until 2:15 today to accommodate the weekly party conference luncheons.

I thank my colleagues for their attention.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. VOINOVICH). Under the previous order, the leadership time is reserved.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 2001 THROUGH 2005

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. Con. Res. 101, which the clerk will report by title.

The bill clerk read as follows:

A resolution (S. Con. Res. 101) setting forth the congressional budget for the United States Government for fiscal years 2001 through 2005 and revising the budgetary levels for fiscal year 2000.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the presence and use of small electronic calculators be permitted on the floor of the Senate

during consideration of the fiscal year 2001 concurrent budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. DOMENICI. I have brief opening remarks, after which time I will be pleased to yield to either the minority whip or the ranking member.

First, a couple of observations. We are now on the budget resolution. It is now pending before the Senate. Before I summarize the resolution as reported by the Budget Committee last week, let me cover a couple of housekeeping or managerial items. For those Senators and staff here, and those who might be listening, I remind everyone that the procedure for considering a budget resolution in the Senate is unique compared to other legislation and other legislative items that we debate and amend on the floor.

First, a budget resolution is privileged. That means proceeding to its consideration as we have done this morning could not have been delayed by a Senator by filibuster or otherwise.

Second, the underlying law, the Congressional Budget and Impoundment Control Act—not the resolution—effectively establishes the rules for considering this resolution. The first of the rules is that there is a time limit for considering a budget resolution. That time limit is 50 hours. Less time can always be taken. While it has never been used, a nondebatable motion to reduce debate time is always in order. The 50 hours does not count the time in the quorums immediately preceding a vote, nor does it count the actual voting time. Fifty hours is evenly divided between the sponsor and the opponents of the resolution.

An amendment or amendments in the first degree to the resolution are limited to 2 hours evenly divided between the mover of the amendment and its opponents. Additional time can be yielded off the overall resolution by

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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the manager or the ranking member, or their designee, if such time is still available under the 50-hour rule. Amendments to amendments are limited to 1 hour, again, evenly divided between the mover and the opponent. As before, if overall time exists on the resolution, Members can add time to the debate on the second-degree amendment.

The next discussion is where it gets a little bit difficult. Senators who may want to amend this resolution should note there are very particular rules that apply. First, the committee-reported budget resolution forms the basis of germaneness.

There are four types of germane amendments: One, an amendment to strike language or numbers, which is germane per se; second, an amendment to change dates or numbers; third, an amendment adding sense of the Senate for matters within the jurisdiction of the Budget Committee; and fourth, an amendment that limits some power in the resolution. If not germane, it will take three-fifths of the Senators' affirmative votes to waive the point of order. If not, the amendment will fall.

I emphasize these procedures so Senators and their staffs will not be surprised if a germaneness point of order is raised on their amendment.

Later in this debate we will follow the rules the act laid out for us considering a budget resolution, and we will try to finish it in an orderly manner before the week is complete. I will briefly summarize the reported resolution before us today.

First, let me say this annual exercise further strengthens my resolve to bring to the floor changes to this process, to change it into a biennial budget and biennial appropriations process. But we are charged with reporting an annual budget, and until the law is changed, or if it is changed, the committee-reported resolution abides by the current law.

I acknowledge that whatever fiscal policy we outline in any budget resolution the Senate considers this year, that resolution will be constructed in the heat of a very political year and it will, in truth, be ministered over by a new President and new Congress next year. So this resolution can only be a broad blueprint for fiscal policy. It allows us to complete our work expeditiously, if at all possible, this year. It recognizes the need for reform in many areas and that those reforms will undoubtedly have to wait until the next Congress and the next President.

While we now have the luxury of budgeting in a world of possible surpluses, that does not mean reform in Government is not necessary. Reforms to the process are needed, and this committee's resolution begins down that path so we can replace some cynicism that was built up about the Federal budgeting process with some minor but new enforcement tools. Some may not like them, but we are trying very hard to answer a call from

many Senators that the budget resolution be enforced and that we understand precisely what we are doing and look to the resolution itself for how much we can spend and where we are going.

Reforms are needed to ensure the long-term solvency of the Social Security system, not simply placing more empty IOUs on future generations. We cannot reform the Social Security system without a President who is willing, and thus far we have not had such in the White House under the administration of President Clinton.

Reforms are needed in the Medicare program, not simply promising more politically popular benefits to a system in which, in 2010, the outgo will exceed income. In this budget resolution, we have provided \$40 billion in two installments of \$20 billion and \$20 billion to do reform and add some prescription benefits, if that is what Congress decides to do.

Major reforms are needed to our Tax Code. We all know that. While the resolution before us proposes to make room for tax reductions, I acknowledge that until the unfairness of this system and its complexities are addressed, real tax reform waits.

Finally, reforms to government programs are broadly needed; there is no doubt about that. As GAO and the Congressional Budget Office have pointed out to us earlier this year, we really do not need 342 Federal economic-development-related programs. We really do not need 12 different agencies administering 35 different laws on food safety. It would seem one agency would be sufficient.

I am not sure we need over a dozen postsecondary education programs and 224 elementary and secondary education programs administered by the Department of Education with their overlapping, duplicating, inefficient delivery of Federal funds to States. Perhaps this year we will consider on the floor of the Senate some dramatic reforms that might alter the education system I have just described.

So when critics say this resolution does not provide enough for the discretionary accounts, both defense and nondefense, I have to respond: Not if you assume that everything the Government does today is done efficiently and effectively. But I am realistic, and reform of these programs will not come in the 70 days left in this Congress.

So the resolution before us is not everything an outgoing administration wants because, quite frankly, they are not going to be around to administer what I consider their bloated budget request. But it is a responsible step for the short amount of time left in Congress.

Let me conclude with some key points on this resolution.

No. 1, it protects Social Security. Not one penny of the Social Security surplus is touched.

No. 2, it balances the budget every year, not counting the Social Security

surplus. In other words, even though we have not been able to adopt a lockbox, we have followed the premise and philosophy and substance of a lockbox; that is, none of the Social Security money surplus is being spent.

It retires debt held by the public, nearly \$174 billion this year alone, and over \$1.1 trillion over the next 5 years.

It sets aside \$8 billion in non-Social Security surpluses for debt relief this year alone. In other words, that \$8 billion could be spent without us touching the Social Security trust fund. We could still live up to that promise. But we have taken \$8 billion of the surplus outside of Social Security and put that on the debt also.

It rejects the President's proposed cuts in Medicare. It strengthens Medicare and sets up a \$40 billion reserve for a new prescription drug benefit immediately, with reform coming later.

Expenditures for the Department of Education would increase \$4.5 billion this year, special ed would increase nearly \$2.2 billion, and Head Start funding would be up nearly \$255 million.

Funding for our national security would increase nearly 4.8 percent next year, up to \$305.8 billion, nearly a \$17 billion increase.

Funding for WIC, section 8 housing, National Park Service, highways and airports, all would increase next year, as would Head Start.

We provide immediate emergency assistance to depressed agricultural sections in the form of nearly \$5.5 billion in income support needed this year, not next year.

And, yes, we provide \$150 billion in tax relief for American families, for fairness and equity in the form of the marriage penalty, for small businesses and startups, for education and medical assistance. Remember, the President did not provide any tax relief for the next 5 years.

I believe this is a fair beginning. I am very hopeful we can have a lively debate about this on the floor of the Senate. For every \$1 in tax relief, since there are those who continue to say the tax relief we seek is too big, too much, too risky—this resolution devotes \$13 to debt reduction. For every \$1 in tax relief, this resolution devotes \$13 for debt reduction; 13-to-1 is the ratio in the first year. It is down to about 8-to-1 for the entire 5 years.

I believe it is a fair resolution. It is not a risky resolution, as some will claim. I contend that increasing spending for domestic programs nearly 14 percent next year, as the President would do, is much more risky to the future of Social Security and debt reduction than a modest tax reduction.

Let me explain. If you increased domestic discretionary spending by 14 percent a year, it would only take 3 years until you would have to use the Social Security surplus to pay for domestic spending. What does that mean? It means either the President sent us a one-time political year 14-percent increased budget or he is serious that we

need that amount every year to meet the so-called needs of domestic programs. In either case, it is not the right thing to do.

If it was sent up here as a one-time political budget with everything in it but the kitchen sink, then it should be denied. If it was sent up here to set a pattern for 3 or 4 years, then it truly would be an injustice to senior citizens and the Social Security trust fund.

But even if the tax reductions we plan for do not become law, we make sure every penny of that which would have gone to tax reductions is returned in the form of debt reduction, not new spending. So for those who say there will be no tax reduction or tax relief this year, and for the President who says even though Republicans will try, he will not let it happen, then obviously we will put another \$150 billion, or some substantial portion of it, on the debt, which only adds to the numbers I have already discussed with you with reference to tax reduction in this budget resolution.

It is a resolution that will allow us to get our work done. I say to the Republicans, my side of the aisle, this budget resolution cleared the committee on a party line vote with every Republican voting for it and every Democrat voting against it. I do not know how it will turn out 3, 4, or 5 days from now, but I do hope Republicans will consider that what they want to change in it may, indeed, change whether or not we can adopt a budget resolution at all on the floor.

I hope Republicans will consult and talk with the chairman and manager of the bill as we consider this resolution so that our end product will be that we will pass a budget resolution and go to conference with the House and let our appropriations committees start their work.

I do want to say at the beginning and, obviously, I will at the end, that it has been a pleasure working with Senator LAUTENBERG. This is his last time managing the budget resolution because he will be leaving the Senate.

We started off not knowing each other very well, maybe being a little guarded about how we would think about what each one said, whether we would be cynical about it, whether we would believe it. I compliment him. His job has become very important to him, and he has become very important to this job. It will be a pleasure working with him for the next 4 or 5 days. I very much thank the Senator from New Jersey for what he has done. I thank everyone for listening.

I yield the floor.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from New Jersey. Mr. LAUTENBERG. Mr. President, I thank Senator DOMENICI. I appreciate his comments.

As noted, this is my last year as the ranking member of the Budget Committee. As everyone around here knows, the ranking member harbors usually one thought, and that is to

move to the chairmanship to give their colleague on the other side of the aisle a chance to work as a ranking member, to understand fully what it is like.

Before I begin a discussion of the budget resolution—and I again thank Senator DOMENICI for his kind comments; the relationship has been a good one—it has been a privilege and an honor to represent the Senate Democrats on the Budget Committee, and I am going to miss it. In my early days in the Senate, I never played with the thought of being a leader in budget matters, never expecting to be the senior Democrat. In fact, I did not even in the beginning days intend to be on the Budget Committee. But I had a good friend whom I knew before I came to the Senate, Senator JOE BIDEN from Delaware. He pulled me aside early in my career and made me an offer that sounded too good to be true. "FRANK," he said, "you're such a good friend and such a good Senator that I'm going to resign my seat on the Budget Committee, and I'm going to give it to you."

Only later did I come to realize what Senator BIDEN was really up to. He knew what the Budget Committee function was. He knew how difficult some of the discussions would become, and he knew conclusions arrived at are rarely satisfactory. I forgive him. It has taken me a decade to do that, and I am not going to hold a grudge any longer.

Seriously, while I fell into the position of ranking member—that is, the senior Democrat on the Budget Committee—I found it not only interesting but a rewarding position. One of the principal reasons is that I have had the privilege to serve with a very distinguished Senator, our chairman, PETE DOMENICI. Senator DOMENICI and I worked together from different beliefs, with very different views about Government and its proper role. While we have often disagreed, I have tremendous respect and even affection for him. We learned something about the personal sides of each other's lives, which reduces barriers that often arise from competitive views. When one understands what makes the other person tick and hears his concerns and lets him understand your concerns, it makes for a different kind of alliance than the traditional debate.

Over the years, we developed an appreciation and respect for one another. Senator DOMENICI's mastery of the budget comes not only from years of experience but lots of hard work as well. It comes from a genuine commitment he has to serving his country to the best of his ability. I have learned a lot from Senator DOMENICI, and I publicly thank him for his friendship over the years.

By their nature, debates on the budget tend to be more partisan than other debates. After all, setting a broad plan for allocating resources necessarily depends on judgments based on established principles we bring with us from

our views and priorities influenced by our respective parties and affiliations.

It is no surprise that our parties have different perspectives on this. In fact, in some ways, this diversity of views is one of our Nation's great strengths; we can talk about these things and air our views and give the public a chance to hear what it is we are saying and in what we believe.

Still, I cannot help but regret that budget debates over the past decade have often become so entirely partisan. I saw it with the Democrats as well as Republicans. No one party is at fault. It does not serve the Nation as we would all want to do. I hope perhaps, if the era of surpluses can be sustained longer, we can finally inject more bipartisanship into the process.

I may represent Democrats, but I have respect for my colleagues on the other side of the aisle. I do not always appear to be understanding of their views, but they, too, adhere to the principles that brought them here. While it is not pleasant for me to accept it, I am often reminded: They were sent here as a majority by the people across this country and we have to respect or acknowledge that fact. But though I serve in the minority, I sincerely believe the approach the budget brings to the table is the right one for America. I know from personal experience that Government has a role to play, in my view, in the lives of our people and is to exercise that role responsibly.

I make that judgment based on personal experience. I have said it before on the floor of the Senate, and I will take a minute in this twilight of my career to restate it.

My father died when he was 43. My mother was 36. I had already enlisted in the Army. I watched my father's health disintegrate in front of my eyes—13 months of pain, agony, and degradation. He died, again, after I had enlisted in the Army. He died not only leaving the grief and the heartache which accompanies the death of a young man—my sister, my mother and I comprised the entire family; my sister was 12, and I was 18—not only did we experience the pain of the loss, but we were deeply in debt to doctors and hospitals. My mother tried her best to meet those obligations. I was sending home, when I had the opportunity, \$50 a month out of my pay. That was not very much.

Oh, if we had only had health insurance at that time, if we had only some way for the Government to join us in our quest to stay alive as a family and do what my father always wanted us to do—be productive citizens.

My next experience which helped develop my thinking about Government's role was when I was able to take advantage of the GI bill after my service in World War II in Europe during the height of the war and go to a university that otherwise would have been unavailable to me. We could never have afforded the tuition no matter how

hard we worked because we also had to support and unite the three of us.

That GI bill made an enormous difference, not only in my life, but permit me a moment of immodesty to say that I helped create a business that created an industry, the computing industry, which is a bigger part of the computer atmosphere, the computer functioning, the computer industry, than the hardware side: Computing, providing services. We were pioneers. And I am a member of something called the Hall of Fame of Information Processing in Dallas, TX.

Education enabled me to do that. I became very active in philanthropy and was national chairman of one of the largest charities in the world. At the same time, I ran a company that employed lots and lots of people—over 16,000—when I came to this Senate.

So much of what I have done has been dependent on the education I was able to receive as a contribution by my fellow Americans and my country.

Then, the privilege of serving here for 18 years has made an impression on me that will last for life.

That is how I have acquired my view of what Government's role might be. And we dare not turn our back on it.

With that, I will turn to the business directly at hand.

Mr. President, in my role as ranking member, I begin by laying out the broad budget principles with which most Democrats agree. Perhaps most fundamentally, Democrats believe the budget should address the needs of ordinary Americans as it prepares our Nation for the future. It should strengthen Social Security and Medicare; provide prescription drug coverage for our seniors desperate for some relief as they try to protect their health from the financial burden of high prescription costs; invest in education, health care, defense, and other compelling needs.

We should provide targeted tax cuts for those struggling to advance the well-being of the next generation. At the same time, it should maintain fiscal discipline, reduce our debt, as most people in our country would want to do on a personal basis. The happiest day for lots of families is when the mortgage is paid off or when the bills are finally paid for something that was necessary to acquire or, as we know these days, to help people provide an education or assist in providing an education for their children. At the same time, we want to protect our Nation's economic prosperity.

In my view, this budget resolution fails to meet these goals. It would use virtually the entire non-Social Security surplus for tax breaks that disproportionately benefit the wealthy. It would require deep and unrealistic cuts in domestic priorities, such as education and health care.

It proposes far less debt reduction than the budgets developed by President Clinton and the Senate Democrats. It fails to ensure that the Con-

gress will consider legislation to establish a prescription drug benefit. Finally, by covering only 5 years of operations, unlike the 10 years we worked with last year, the resolution hides its long-term costs and weakens fiscal discipline.

I want to address each of these points.

The Congressional Budget Office, CBO, says that over the next 5 years, the non-Social Security surplus is going to be \$171 billion. We do not have any disagreement about that. That is what they say. This assumes that Congress freezes discretionary spending at the current real levels, which means, very simply, that in order to protect the funding of these programs, we have to allow for some inflation increases, some inflationary adjustments, as modest as they might be.

In fact, if Congress increases domestic spending at the same rate as recent years, which has been higher than inflation, the actual surplus would even be smaller than that \$171 billion.

Still, to give the majority the benefit of the doubt, we will ignore history for the moment and optimistically assume the non-Social Security surplus will be as projected, \$171 billion.

The budget resolution, passed by the Republican majority, calls for tax breaks of \$150 billion. I say that is at a minimum because there is a reserve there for additional increases.

But this reduction in future surpluses would also require that the Government would pay more interest on the outstanding debt, in this case \$18 billion more. Thus, the real cost of the tax breaks isn't \$150 billion; it is \$168 billion when we add the \$18 billion for additional interest. That consumes virtually the entire non-Social Security surplus of \$171 billion. This isn't mysterious; it is plain arithmetic.

People watching this debate might ask themselves: If the tax breaks use virtually the entire non-Social Security surplus, how can the resolution also provide funding for any of the new initiatives it claims to support, such as increases in military spending, prescription drug coverage, agricultural risk management reform, payments to counties, nuclear waste disposal activities, and various other claims of increases in discretionary programs?

The real answer is, it cannot. There is no way to fit all of this new spending in roughly the \$3 billion that remains of the non-Social Security surplus. The numbers just do not add up.

Unfortunately, the majority seeks to sidestep the problem by assuming huge unspecified cuts in domestic programs. The resolution calls for a 6.5-percent cut in nondefense discretionary programs over the next 5 years.

Because we are trying to address this to the public at large, I am going to take a moment to explain what this means.

A 6.5-percent cut in nondefense discretionary means, outside of defense, those programs that many of us think

are essential that have been in place will get a 6.5-percent cut. A 6.5-percent cut over 5 years is pretty substantial because by the time you got to the fifth year, the cut enlarges to 8.2 percent. In fact, since the resolution claims to protect some specific programs, the cuts in other areas would be well over 10 percent.

The Office of Management and Budget has analyzed how cuts such as this could affect ordinary Americans. Here are just a few examples.

Mr. President, 20,000 teachers planned to be hired would not be hired. Those teachers were planned to be hired to reduce class sizes.

Five thousand communities would lose assistance to help construct and modernize their schools. There are not many people in this country who do not realize we have this enormous number of school buildings that are just inadequate for the purpose that they exist; that is, to provide an atmosphere where our children can learn. If plaster is falling from the ceilings, or there is no heating in the winter or ventilation in the summer, we know that is not an atmosphere conducive to learning.

So there are 5,000 communities that would get help, but they won't under the Republican plan; 62,000 fewer children would be served by the Head Start Program—one of the most successful programs this country has; 19,000 fewer researchers, educators, students receive support from the National Science Foundation. And if there is one place where America excels, it is in research and in science.

I took a trip to the South Pole in January. People ask, "Why did you go there?" It's a far and tough trip. I went there because I am worried about the climate, about the forecasts which talk about ever more severe tornadoes and things such as cyclones and other natural disasters. I wanted to know what is happening with the weather and climate studies that we do down there.

I will tell you, one need not be a scientist to know that we have problems. Now we are talking about an icefloe that is cracking away from the main part of the continent twice the size of Delaware. We had one the size of Rhode Island float off some years ago. One day we are going to see an iceberg, an icefloe that is the size of Texas. What are we going to do about that? Are we going to say maybe we can push it back and glue it together? Everybody knows that is not going to happen. It says the ice is melting at an ever faster rate, and 70 percent of the fresh water in the world exists at the South Pole. If that starts mixing with the saline of the oceans, we will have serious problems. They may not be problems that affect anybody working in this room today, but I worry about my grandchildren and about their children and about the future of mankind.

There will be 19,000 fewer researchers. Funding for all new federally led clean-ups of toxic waste sites would be eliminated. I notice that the Republican

candidate for President, George W. Bush, announced his interest in a brownfields program, which is something we have been trying to do here for a long time. I am glad to see that acknowledgement take place, to turn these fallow sites into productive, functioning areas where business can flourish and people can visit. We can give some life to some communities—many of them urban communities that are in various stages of decay and would like to be able to move up and away from that.

We would have 430 fewer border patrol people available to safeguard our borders. Everybody knows what that problem is.

The list goes on and on. As most people around here recognize, cuts of this magnitude are totally unrealistic, and they are not going to happen. We are going to play games—ping-pong—with the budget of the United States. In the final analysis, neither Republicans nor Democrats will tolerate these cuts.

This is not the first time the Senate has assumed deep, unspecified cuts in a budget resolution. Last year's resolution included similarly unrealistic things. Not surprisingly, by the end of the year, the Republican majority—not the President—had approved the appropriations bills, spending about \$35 billion more than it planned for the year initially. That is the same time and the same status that we have right now. No doubt, something similar is going to happen this year. We are not going to see Government close down. We learned that lesson. It was vivid and searing, and it is going to stay forever in our memories.

So we are not going to take those cuts that would make departments of Government inoperative or inadequate. Who is going to let go all these FBI agents and the border guards? One of the greatest concerns our citizens have is to be secure in their homes, on the streets, and in their communities. Are we going to reduce law enforcement? We are not. We may say so, or we may not even say so. We simply hide it in the volume of pages and numbers that are presented to the public.

Unfortunately, the Republican budget relies on these unrealistic cuts for its various increases in mandatory spending, such as aid to farmers, prescription drugs, and other programs long ago, for the most part, considered essential. The cost of those increases—\$62 billion for those mandatory programs—would be locked in up front. The savings, however, would not be. When Congress later fails to make the assumed cuts in appropriations bills, funds for these new entitlements, it will come from only one place—Social Security.

One might think that assumptions of deep, unrealistic cuts in discretionary spending would allow the Republicans to claim significantly more debt reduction than the budgets proposed by Democrats. However, if one assumes that the Republican spending cuts ac-

tually materialize, which is extremely unlikely, if not impossible, the Republican budget still would reduce much less than President Clinton and Senate Democrats. The Republican plan will use non-Social Security surpluses to reduce only \$19 billion, which is contrary to what is being said, over the next 5 years. By contrast, the President's budget would reduce the \$90 billion of debt, over the same period, nearly five times as much. This difference in debt reduction helps show how extreme the GOP tax breaks are.

Throughout the markup on the resolution, Republicans claimed that their budget contained over \$1 trillion of debt reduction. However, this figure is based almost entirely on Social Security surpluses, and these surpluses are off budget, and both parties have committed to protecting them. Yet when it comes to the portion of the budget that remains subject to congressional discretion, Republicans have refused to devote significant resources for debt reduction. In doing so, they have rejected repeated calls by Federal Reserve Chairman Alan Greenspan to make debt reduction our first priority.

My next concern about the budget resolution is that it fails to ensure Congress will act on legislation establishing a prescription drug benefit. This is in marked contrast with its treatment of tax breaks which the resolution's reconciliation instructions require of the Finance Committee. This differential treatment is troubling, especially given resistance from the Republican leadership to a meaningful universal benefit. I hope that as the debate proceeds we can take steps to ensure Congress really does approve a prescription drug benefit this year.

My final concern about the budget resolution is that it covers only 5 years—I mentioned that earlier—not the 10 included in last year's resolution. Those projections came out with—even though we know that forecasts are not necessarily precise, they are a gauge. Last year, we included them because it seemed to present a favorable position to the Republican few. This year, we dropped back to 5 years because they know very well that the second quintile is going to be one that spells disaster. This has the effect of hiding the long-term costs of its tax breaks, and it also weakens the budget resolution as a means of enforcing long-term fiscal discipline since points of order would not be available against tax breaks that explode in cost after 5 years.

During markup, it was suggested that the budget resolution should cover only 5 years because CBO produces only 5-year estimates. That isn't true. In fact, since last year, CBO has been producing 10-year projections. So why are these projections being ignored? Because they, again, don't like the outcome of the second 5 years. Thus, no longer is there a good excuse to restrict the budget resolution to only 5 years.

Considering that we are facing huge new liabilities when the baby boomers retire, we need to think longer term. We need to take all long-term costs into account when establishing and enforcing fiscal policy.

Thus, I reluctantly conclude that the Republican budget fails to prepare for our future or address the needs of ordinary Americans today. It allocates virtually the entire non-Social Security surplus for tax breaks. It would require drastic, unrealistic cuts in these particular programs—such as education and health care. It fails to make debt reduction a priority. It fails to ensure prompt action to provide prescription drugs to seniors. And it fails to maintain fiscal discipline for the long term.

For all of these reasons, I join with the Democrats on the Budget Committee in opposing this resolution.

When we discussed tax breaks and discussed what the standard bearer for the Republican party has advocated—tax breaks that come in at over \$500 billion the first 5 years—there was a strange silence that took place over the majority of the Republicans sitting on the Republican side of the Budget Committee.

There were a couple of murmurs about: Well, we haven't given up. We are not going to pass that now.

They did that by a vote. One of our distinguished Democrats proposed it in a vote, and the support just wasn't there.

Again for these reasons, joining with the Democrats, I hope we can make appropriate adjustments and amend that process for a more realistic budget.

I look forward to working with colleagues on both sides of the aisle in an effort to improve the resolution before it gets voted on in the Senate.

I yield the floor.

I understand my colleagues are pressed for time and would like to speak. I hope they will be recognized at this point.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I understand the Senator from Illinois wants to speak. I will not interrupt as far as speaking. But I want to say to Senators on our side that we would like very much for anyone who has remarks on the budget to come down before we recess. Then we will start. We will not take any amendments until after we come back from that recess so that Democrats have a chance to talk in their caucus and we have a chance to talk in our policy luncheon.

If you want to speak about the resolution with general statements, we will be here until 12:30. Both sides are going to apply the same rules, according to Senator LAUTENBERG. There will be no amendments until after the 12:30 luncheon.

The PRESIDING OFFICER. Who yields time?

Does the Senator from New Jersey yield time?

Mr. LAUTENBERG. I do.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I seek to be recognized for 10 minutes and ask that my colleague from Oregon have 5 minutes, if that would be appropriate. We are going to a meeting. I think the Senator from California also is seeking recognition.

Mr. LAUTENBERG. I yield time in accordance with the Senator's request.

Mrs. BOXER. Mr. President, I ask the Senator from New Jersey if I could have 10 minutes.

Mr. LAUTENBERG. It would be a pleasure to allow my colleague from California to address the Senate.

The PRESIDING OFFICER. The Chair's understanding is that the Senator from Illinois is to be recognized for 10 minutes, the Senator from Oregon is to be recognized for 5 minutes, and the Senator from California is to be recognized for 10 minutes on Senator LAUTENBERG's time.

The Senator from Illinois is recognized.

Mr. DURBIN. Thank you, very much.

Mr. President, I thank Senator LAUTENBERG of New Jersey, who is on the Budget Committee. This will be the last budget resolution he will manage on the floor. He is retiring from the Senate. We will miss him. He has been a leader on so many issues. I have worked with him on issues over the years such as gun control. He has certainly been a leader for his State and the Nation, and he has taken on a tough job in working on the Budget Committee.

We all acknowledge that the chairman of the committee, Senator DOMENICI, is a man we respect very much. We may disagree on political issues. We find him as a colleague to be a real professional and a man truly dedicated to reducing the budget deficit and keeping the fiscal house in order. We may see the world a little differently, but we have a high respect for Senator DOMENICI.

I will miss Senator LAUTENBERG. He is a great friend and has been a great colleague over the years. I am happy he is here for this important and vital battle.

The budget resolution that we debate may be one of the toughest to sell to the American people because it is a dry subject. We are talking about percentages—billions of dollars in appropriations, and money in the outyears. Pretty soon, you are lost in the sauce trying to figure out what in the world these people are talking about.

Does this have any relevance or importance to the lives of ordinary people across America? Should families even pay attention to it? If they are watching on C-SPAN, they are probably clicking away now. As Billy Crystal said the other day, he liked the movie "The Sixth Sense." He said: I see dead people too. I see them on C-SPAN.

I think people who watch C-SPAN will understand that we are very much alive. They understand the issues we

are debating today are very important to them.

Take a look at this little graphic prepared on the Democratic side. We have a great ship of state, the "U.S. Economy."

Take a look at the U.S. economy over the past 8 or 9 years. You will see that an amazing thing has occurred.

We have seen the greatest economic growth in the history of America, with terrific employment, new housing, new businesses, and inflation under control. We have seen our debt coming down at a time when many people have given up, thinking that the national debt was just going to increase.

These are all positive things—a stock market which was at 3,000 with the Dow Jones average when President Clinton took office. It is now over 10,000. It may be over 11,000, I haven't checked. All of these things are good news about the American economy.

This great ship of state sails on with the U.S. economy stronger than it has ever been in recorded history. This is not political hyperbole. This is a fact, and America's families know it. They know we are moving in the right direction in this country. Above all, they want Congress to get out of the way. Don't stop this economy from moving forward.

Let me tell you that this budget resolution we are debating on the floor of the Senate today is going to get in the way of that economy. It is going to be an obstacle to our economic progress.

Look at this looming iceberg. Does this remind you of a movie? Here you see the tip of the iceberg—a \$168 billion Republican tax cut. But look below the surface. This Republican tax scheme is much larger.

Why would politicians be for tax cuts? Every American family would applaud a tax cut. We would all like to have one. It helps you get by. But if you ask what that tax cut will cost, a lot of people in America back off and say: Wait a minute. It doesn't make a lot of sense for us to be giving tax breaks to the wealthiest people in America and jeopardizing the growth in our economy. You see, what the Republicans do in their budget resolution is couple it with a tax cut plan over the next 5 years that literally gobbles up every single dollar of surplus that we have so there is no money available for us to spend on other things that America knows we need.

Does America know we need better schools and better education? You bet we do. Every parent, every grandparent, and every family knows that. The Republican plan shortchanges that. They take the money away from the cut. They say: No, we would rather give it as a tax cut to wealthy people than put it in education.

Let's ask another question. Would American families want to see a prescription drug benefit under the Medicare program for our parents and grandparents? You bet we would. We understand that a lot of senior citizens

are choosing between food and medicine. They can't afford to buy the drugs to keep themselves healthy and strong, out of the hospital, and out of the nursing home.

We believe on the Democratic side—and the President agrees—that we should take a part of our surplus and put it into a prescription drug benefit so that the elderly and disabled across America have that peace of mind. Yet if you look at the Republican budget proposal, the money is not there for this prescription drug benefit. Instead, it is there for this tax scheme that can derail the economy.

Not only that, you have to ask yourself whether or not we are dedicating the resources we need for the growth of our country for investment in infrastructure and people. That really counts.

This Republican tax scheme, which is the cornerstone of this budget resolution we are debating, is bad policy for this country. Don't take my word for it. Don't take the word of any Democrat for it. Take the word of the Chairman of the Federal Reserve, Alan Greenspan. He tells us the No. 1 priority for the good of America and its economy is reducing our national debt—not a tax cut for the wealthiest people.

This tax cut from the Senate Republicans is a mere shadow of the tax cut proposed by Governor George W. Bush in his Presidential campaign. It is a tax cut that, frankly, goes to the wealthiest people in America. It is worse than the one proposed by the Senate Republicans in this budget resolution. This is the George W. Bush tax cut to the top 1 percent of wage earners in America. The George W. Bush tax cut will provide a \$50,000 a year tax cut. If one happens to be in the lower 60 percent of wage earners, the tax cut is \$249 a year—20 bucks a month.

I gave the Senate Republicans on the Budget Committee two opportunities to vote for George W. Bush's tax cut in committee. They say they want him for President. He says it is the most important thing in his campaign. One would think the Senate Republicans would rush to be in his corner when it comes to standing for this tax cut. Do you know what. On two different occasions they tried to avoid, and did avoid, even having a recorded vote on their standard bearer's tax cut. They don't want to be on record in favor of that tax cut. They know it eats up all of our surplus that goes into the Social Security trust fund.

At this moment in time, the Senate Budget Republicans have denied George W. Bush twice. I will give him another chance on the Senate floor in the next few days. Will the Senate Budget Republicans deny George W. Bush thrice? We will find out. I hope they come to their senses and understand they should go on record in opposition to it.

America wants to spend money on things important for our future, such

as education, health care, training the next generation of workers, making certain this economy keeps moving along. A lot of people have prospered under this economy, but a lot of working families are just starting to believe things are getting better for them. They do not want to derail the economic progress we have seen under the Clinton-Gore administration. They want America to continue to move forward. They want America to continue to grow. I believe that is the right track to follow.

I yield the floor to my colleague from Oregon. I hope to get another chance to address the budget resolution which should be defeated by the Senate so we can continue the economic progress we have seen in America.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I will pick up briefly on the point made by the distinguished Senator from Illinois about moving forward with an agenda that meets the needs of the American people.

When we started this budget markup, the Senator from Texas, Mr. GRAMM, said the Senate ought to stand pat on the budget until after the election. In spite of the pressing health and education concerns of the American people, the concerns we will try to address on this floor this week, Senator GRAMM said we ought to stand pat; we should not take any significant steps with regard to action on many of these important issues in the health and education area.

I come to the floor this morning to say I am not prepared, and I think my colleagues are not prepared, to say to the millions of older people in this country and their families that we are going to stand pat given the huge problem they are facing with their prescription drug costs. I have come to the floor of the Senate more than 20 times in the last few months to talk about the older people who are supposed to take three pills a day and are taking only two; they are breaking up their anticholesterol capsules because they cannot afford the medicine. I am of the view this Nation can no longer afford to deny prescription drug coverage to the Nation's older people.

In my home State, we have older people being hospitalized in order to get prescription drug coverage because Part A of Medicare will pick up those bills and Part B, the outpatient part of the program, will not cover them. There has to be a sense of urgency about this important issue of prescription drug coverage for older people. I feel the same way, frankly, about education.

That is what we tried to do in the budget resolution. The chairman of the committee made a comment earlier with which I agree completely, questioning whether there could be comprehensive reform of the Medicare program this session. That is right. We ought to have comprehensive reform.

In the Budget Committee, at least as a beginning for significant reform, we said it is urgent to act this year. There is language that stipulates if the Finance Committee doesn't move on this issue by the fall, it is possible for any Member of the Senate to come to this floor and have the issue dealt with directly. We locked in the money to do the job right, \$40 billion, which, by the way, is tied to reform of the program. We have language that talks about using marketplace principles and competitive purchasing techniques. It is a chance to finally get justice for older people and their families.

Medicare started off as half a loaf. It didn't cover prescription drugs in 1965. The big buyers—the health plans and HMO plans, the managed care plans—negotiate discounts. Democrats are having folks come to our townhall meetings, those people who are without prescription drug coverage—and only about a third of the older people do have good prescription drug coverage now. Those people in effect are subsidizing the big buyers. They are subsidizing the people in those health plans and the managed care organizations.

I think it is time to bring the revolution in private sector health care to the Medicare program. If we can get the anticoagulant drugs covered, which we want to do on this side of the aisle, we might spend \$1,000 a year to help an older person with medicine but we will save \$100,000 by being able to prevent the stroke an older person might otherwise incur.

We will try to convey a sense of urgency about this issue. I hope we will be able to get additional colleagues from the other side of the aisle to join. I particularly commend Senator SNOWE and Senator SMITH because they share our sense of urgency. They share our view we cannot just stand pat on this issue, as Senator GRAMM talked about in the Budget Committee. This country has now made it clear they want the Congress to act on this issue, and they want Congress to act now. They don't want it put off until after the election. We are going to try to convey that during this week's budget debate.

I yield the floor.

Mr. REID. Mr. President, the Senator from California has been granted 10 minutes by unanimous consent. I ask she be extended 15 minutes rather than 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from California.

Mrs. BOXER. Mr. President, I rise as a member of the Budget Committee. I am honored to serve on that committee. Our chairman, PETE DOMENICI, is an expert on understanding the budget. Our ranking member, Senator LAUTENBERG, whom we will miss greatly when he retires, is likewise an expert.

What is intriguing about this year's budget is that it shows the difference between the two parties. Sometimes we

come to the floor and it is hard to know the differences between the parties because the rhetoric may sound the same. The budget is dealing with hard dollars, and we are placing those hard dollars in different categories. No one can run away from the fact that they do less for debt reduction, they do less for prescription drugs, they do less for education, and they do more to help the wealthiest in our society. The numbers are there; you cannot hide the numbers.

I say with due respect to my chairman, PETE DOMENICI, he doesn't want to do that. He wants to make the fight on the differences. And so do I.

The reason I have always chosen to be on the Budget Committee both in the House, where I served for 10 proud years, and the Senate, where I am now serving for 7, is that the budget we do once a year—and, by the way, I think it is important to do it once a year; I don't support the notion of going to budget every 2 years—is the budget that is the roadmap to our Nation. It is not a dry document. It may appear boring because we are putting numbers next to functions, but when we get behind the numbers, what does it mean? Look at defense; we know what it means. Look at domestic discretionary; we know what it means. We know what it means for education. We know what it means for the environment.

By the way, I want to make a point about the environment. I am thoroughly distressed that for the first time in the history of the Senate in a budget resolution, this budget resolution calls for oil drilling in a national wildlife refuge. Never before in a budget resolution have we done that. And not only are we calling for drilling in this preserve, we are putting the receipts for this drilling in this budget, over \$1 billion of receipts.

I am proud to say we are going to have a bipartisan amendment to delete that reference to drilling in Alaska, the Arctic National Wildlife Refuge. It is called ANWR. Those who do not care about the environment are using the gas prices as an excuse to open this area up while they are turning away from energy efficiency, turning away from the fact that, as we speak, we are exporting Alaskan oil that belongs to the American people. We are exporting it to Asia instead of keeping it here—68,000 barrels a day. And they are turning their heads to the fact we are allowing huge mergers to take place in the oil industry, which is, in fact, manipulating the supply.

What do they want to do? Open up the wildlife refuge in Alaska. I ask you a commonsense question. You have a wildlife refuge. How is that consistent with drilling oil? We have seen the oil spills. We know the devastation that can be wreaked. The bottom line is, I am very distressed that this budget is clearly a document that is anti-environment, and the American people support the environment.

I want to ask a commonsense question. If you are living in a time of the greatest economic recovery in the history of the United States of America, and you know what policies led to that—fiscal responsibility, targeted tax cuts to those who need it and not to those who do not need it, investments in education, investments in the environment, protecting Medicare and Social Security—why would you not continue those policies?

I am going to show you some charts that indicate we have had the greatest economic recovery in generations and generations and generations. Why would you turn away? Why would George W. Bush have policies that turn away from this success? Why would the Republicans in the Senate have policies that turn away from this success and would take us back to dangerous times? To me, it makes no sense at all. It is common sense that if something is working in a business and you are doing great because of the policies you put into place, you don't turn away from those policies. You continue those policies. This budget leads us away from those policies.

Let me talk about this return to fiscal strength. In 1992, we had a record deficit of \$290 billion and we have a surplus of \$179 billion in 2000. In the last 2 years, we paid down the debt for the first time instead of racking up huge debt. This has sparked the longest economic expansion in the history of the country, 108 consecutive months, and counting, of economic growth; 20.8 million new jobs; the lowest unemployment rate in 30 years—4.1 percent versus 7.5 percent that prevailed in 1992—and record American home ownership of 67 percent.

Those are the facts. Those are not made-up numbers. Why would we turn away from those policies? That is what the Republican budget does; it makes a U-turn on those policies, following the leadership of George Bush.

Let me show you these charts. Here you see the budget deficit was \$290 billion. We now have a surplus of \$179 billion. What was the projection in 1992, before the Clinton-Gore team came in? It was \$455 billion worth of deficits. That was the projection; instead, there is a \$179 billion surplus.

We have paid down \$140 billion of the debt in the last 2 years. Here is where we see that. Instead of \$761 billion of projected debt increases for 1998–1999, we actually are paying down the debt.

This chart is titled "Fiscal Discipline Sparks Robust Private Sector Investment." In other words, when you do not have to pay so much interest on the debt, there is money around for the private sector to invest. Look what happened just in equipment and software investment. The investment is up 12.1 percent. The unemployment rate, I told you before, declined from 7.5 percent to 4.1 percent. Some people consider this full employment.

Another way to look at the jobs, 20.8 million new jobs—this is a beautiful

number here, charted straight up since 1992. Record home ownership, up from 64 percent to 67 percent. The American dream is being realized; 67 percent of Americans own their own home.

We have rising incomes for all groups. In every single group, we have seen rising incomes. These are the quintiles: 10 percent in the first, or lowest-income people; increase, 11 percent in the second quintile; 10 percent in the third; 10 in the fourth; and 12 in the higher incomes. All the talk about, oh, we are taxing the people in the upper incomes; they are getting killed—they have had the largest increase in their income, 12 percent.

The Federal income tax burden has declined. It has declined for the average family of four. "Federal Tax Level Falls For Most," this is an article from the Washington Post. We are paying less income taxes than we did before.

This record economic expansion presents a historic opportunity, and I think the Democratic budget, the alternative we have to vote on, seizes this opportunity. It meets the fiscal challenges ahead because we cannot take this for granted. We know that. We need to strengthen Social Security. As somebody said: When the Sun is shining, you fix the roof. You don't wait for the rain to fall.

That is what our Democratic budget does. It strengthens Social Security and Medicare. It sets up a lockbox, not only for Social Security but for Medicare. Let the record show, when Senator CONRAD offered a lockbox for Medicare, the Republicans voted in lockstep against it. They are not protecting Medicare.

We place a top priority on adding a prescription drug benefit. We pay down the national debt. We use honest budget numbers. And we expand opportunity by investing in education and other priorities to help people realize the American dream. In my opinion, the Republicans squander this opportunity with an irresponsible tax cut. As Senator DURBIN has said, it is targeted to the wealthiest; it is going to risk Social Security and Medicare; it is going to make it impossible to do a prescription drug benefit; and it is going to make it impossible to invest in education and the environment and the kinds of things the American people want.

Why do I say this? Because the Senate Republicans take the nondefense discretionary money—in other words, the money we can spend on education, the environment, Medicare, and the rest—and they actually cut it below a freeze. This is not me talking; this is the Congressional Budget Office. They say a freeze is \$296.1 billion; the Senate Republicans come in at \$289 billion.

That is unrealistic, and it is not what the American people want. They do not want a risky tax cut. They want a targeted tax cut to the middle class, leaving enough money to invest in their priorities. This is the hub and the nub of the problem.

The Republican budget cuts domestic priorities—\$89 billion to \$117 billion of domestic cuts between 2001 and 2005.

What does this mean? Let's talk turkey about what this means.

Education: It will prevent the hiring of 20,000 new teachers to lower class sizes.

Head Start: 62,000 fewer children served.

Basic research: 19,000 fewer researchers receiving support.

Environment: Funding eliminated for all 15 new federally led cleanups.

Law enforcement cuts: No funds for hiring additional police officers.

The Republicans have admitted it. They said: We will take these tax cuts one salami slice at a time. That is what Senator LOTT has said; he has admitted it. And he shows the different salami-sliced tax cuts:

\$182 billion for the marriage penalty tax. We know we need to fix that problem. It does not take \$182 billion to do it. We can do it for less;

\$122 billion in small business tax breaks. We can do it for less;

\$21 billion tax breaks contained in the education savings account that go to the wealthiest among us.

It goes on and on. They are doing it one salami slice at a time, and it adds up to one big salami which is going to put us back in the red. It is going to use the entire non-Social Security surplus and maybe even dip into the surplus.

Senator DURBIN showed my colleagues the Bush tax cut. I want to ask one question: Is it fair to give a \$50,000 a year tax cut to people earning over \$300,000 a year? It is unbelievable. People work for the minimum wage. They make \$11,000 a year. The wealthiest will get \$50,000 a year.

I ask unanimous consent for an additional 3 minutes to conclude.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. This Bush tax cut is not fair. This is not fair. It jeopardizes our economic recovery. Do my colleagues know what people who are in the bottom 60 percent with incomes below \$39,000 get? They get back \$249 a year. If one earns over \$300,000, they get back over \$50,000 a year. It makes no sense. Why not give the tax breaks to the people who need it, not the people who do not need it. Their tax burden is not overly high. They are doing very well, thank you very much.

Some of the wealthiest people in America live in California in the high-tech sector. Do my colleagues know what they tell me. They say: Senator BOXER, don't do this. I don't need the money. I am making millions of dollars. I don't need a risky tax break that is going to jeopardize this economic recovery.

It makes no sense.

Mr. REID. Will the Senator yield on my time?

Mrs. BOXER. Yes, I will be delighted.

Mr. REID. Did the Senator read the newspaper articles a week ago Sunday

that started in the Post and ran all over the country about the Federal income tax burden on the American people being the lowest in the last 40 years in some categories and in other categories in 50 years?

Mrs. BOXER. Yes, and I have referred to them in these remarks. It was a tremendous series that essentially showed the average families paying less of a burden in Federal income taxes. It makes no sense at all to give back \$50,000 to the people earning over \$300,000 and set at risk this amazing economic recovery. The American people want debt reduction, and that is what our Democratic alternative offers.

I say to my friend, doesn't he think that is the wise thing to do—debt reduction and sensible investments in education, the environment, and other priorities, and targeted tax cuts to the middle class?

Mr. REID. Mr. President, I say to my friend, a reduction in the national debt, which is over \$5 trillion, by paying less in the way of interest on the debt every year would be a tax reduction for everybody; is that not true?

Mrs. BOXER. There is absolutely no question. I know my friend knows this, but I want to quote to him Chairman Alan Greenspan, a Republican, who said:

Saving the surpluses is . . . in my judgment, the most important fiscal measure we can take at this time to foster continued improvements in productivity.

He says basically pay down the debt, and the Republicans are blinded on that point. They have a Presidential candidate who has made a bad decision. He will not back off from it. The people are going to understand that it is going to put our economic recovery at risk. We have to save Social Security. We have to save Medicare. We need a prescription drug benefit for our senior citizens, and we need to be wise and continue this economic recovery.

In conclusion, I hope the Democratic budget proposal will win the day. Having said that, I am a realist, and I know we are going to see a party-line vote for this Republican budget. I will say unequivocally, the Democratic plan reduces the debt; it makes investments in Medicare, the environment, and education. I hope we will not turn our backs on this economic recovery. The American people want it to continue.

I thank the Chair. I thank my chairman for allowing me this time.

The PRESIDING OFFICER (Mr. BUNNING). Who yields time?

Mr. DOMENICI. I yield myself such time as I may use.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, somehow, I guess because the President is pretty good at coming up with words, we hear that what we are attempting to do is risky. That is a nice word, "risky." I submit that if the American people knew how much the President

was increasing domestic spending for next year's budget, they would say: Mr. President, that's too risky.

A 14-percent increase in the domestic programs of this country is what the President has in his budget this year. I want to talk about what that really means.

Either that is a one-time event and the President does not think we have to do it again in the next year, the year after, or the year after—just one time; it happens that one time in an election year—right now—if you think it is just an election year number, you ought to discard it and decide what you really need. That is what we tried to do. We think it is a political budget.

Let me flip the coin and say why I am entitled to believe it is a 1-year budget phenomenon in a political year. I think I have to say perhaps it is not. Perhaps it is what Democrats think we ought to spend—a 14-percent increase.

I have a chart that shows what will happen to the surplus and the Social Security surplus if we increase domestic discretionary spending 14 percent a year for 3 years. We will start to use up the entire surplus, and we will begin to use the Social Security surplus. That is how important it is that we keep spending under control.

With a 14-percent increase in discretionary domestic spending—that is the 13 bills we do each year, less the defense bill—this chart shows the on-budget surplus spent and the money raided from Social Security in the gray and yellow.

Just look at the chart. The total surplus is shown by the red line. Look at what begins to happen to the surplus as we increase this budget 14 percent a year just on the discretionary domestic accounts. By the year 2003, it gets very close to our starting to use the Social Security surplus, and by 2004 we are. Clearly, by 2005, we will have used the Social Security surplus. We will have begun to use all of the surplus because of the 14-percent increase.

Frankly, I think that sort of tells the tale. Obviously, I do not believe that is going to happen. The 14-percent increase is unparalleled, other than in 1 year under President Jimmy Carter. I do not think, even at the President's behest, we are going to do anything like that.

But I have two other points I would like to make. One, my good friend, Senator LAUTENBERG, and the Senator from California, Mrs. BOXER, keep referring to how much we are going to reduce Federal expenditures. They keep using the word "real." Everybody who is in earshot of this floor debate should understand that the word "real" has a technical meaning Republicans have decided we will not use.

If you want to look at what is spent by our Federal Government every year in the appropriations accounts and you want to say it is entitled to "real growth," that means every single solitary account of the Federal Government grows each year by the rate of inflation.

I do not think the average American assumes that if you do not let it grow at the rate of inflation every year, you are cutting things. Many people live with a frozen budget; they do not have any more the next year than they do this year.

We start with the assumption that everything is frozen, and then we decide what to add back. We have done that for a few years because it is a huge increase in Federal expenditures when you assume every account in Government will go up by the rate of inflation every year. We call that a nonincrease. We call that a neutral budget. We call that a budget that does not spend any new money. Everybody knows it spends new money over the previous years to the extent that you add inflation to every single account, bar none. Frankly, everyone knows you do not have to increase every account in this Federal Government by the inflation rate of every year.

So what do we do? We start with: Let's freeze it and see how much we have left over. To my amazement, and contrary to the numbers that have been talked about here on the floor by the other side, if you do that and say to Americans, we are going to start at zero and we are going to add back, we have a surplus of \$400 billion over the next 5 years.

Of that, we are going to spend \$230 billion. In other words, our budget, in the next year and the succeeding years, adds \$230 billion to a base of about \$570 billion. We have a \$400 billion surplus. We are going to spend \$230 billion. We are going to say: If Congress can, and the President will, we will have tax relief of \$150 billion. We will have debt reduction of an additional \$20 billion. Essentially, that is a pretty fair allocation of our resources. If, in fact, we do not get the tax reductions, every bit of it will go on the surplus.

There is no difference between the Democrat budget they will propose and ours on debt reduction. We are both about \$1 trillion over the next 5 years. But our budget, the one for which we ask the Members to vote, has \$174 billion in debt reduction—\$174 billion in the first year, \$1 trillion over the 5 years.

Let's get back to the tax relief. Mr. President, \$150 billion over 5 years; \$13 billion in the first year. The ratio in the first year of tax relief to deficit reduction is \$13 of debt reduction to \$1 in tax relief.

How much is enough?

Should the ratio be \$50 to \$1? Should it be \$40 to \$1? It is \$13 to \$1 in the first year. Over the 5 years, it is \$8 in deficit reduction for \$1 of tax relief. I think that is pretty good.

I repeat, if we start with a freeze and add back, rather than starting with the budget that adds back inflation to everything and calls anything we reduce from that a cut, we will be spending \$230 billion over those 5 years, increasing our national defense spending and our domestic discretionary spending.

If we just averaged them per year and took 5 into \$230 billion, what would that be? Five into \$200 billion would be \$40 billion a year. About \$46 billion to \$50 billion each year in new spending is available under this budget resolution. If we start with the premise that everything is at zero, and we add it back, we are going to add \$230 billion over 5 years, which is somewhere between \$45 billion and \$50 billion a year.

How much is enough?

I believe what we have just described is plenty. We can improve and enhance the accounts in our Government, such as education, military, National Institutes of Health, things we all know should go up substantially, but we do not have to increase every single program in Government.

As I said in my opening remarks, if we only had the gusto and enthusiasm to reform the discretionary accounts, we have a litany of things the Government Accounting Office says are duplication of effort. There are 342 different programs spread in five Departments for economic development. These things can be put together in a way that we will spend less, save the taxpayers dollars, and, yes, provide them with some tax relief in areas such as the marriage penalty, affordable education, patients' rights, and a small business package. If you add those up, nobody thinks those are the wrong things to do. Everybody thinks they are on the right track. We make room for the Finance Committee here and the Ways and Means Committee in the House to do it.

I will comment just for a moment on Medicare. In this budget resolution, we have \$40 billion for Medicare reform and prescription drugs. The President wants to make a political issue out of Medicare. I think with this budget resolution he is finished. The President cut Medicare by knocking down the providers. Then the net amount he provided for Medicare prescription benefits and reform was \$15 billion.

Nonetheless, we will hear them say we are not doing enough. I am sure they will find a way to say we are not doing enough. This budget resolution has \$40 billion. It was provided by an amendment by Senator SNOWE of Maine and Senator WYDEN, who cosponsored it, and Senator SMITH of Oregon was a principal proponent, and it was accepted by the committee. There were no negative votes.

Incidentally, just as an aside, while to me it doesn't make that much difference, the Democrat members of the Budget Committee offered a total substitute, and their Medicare additions were less than what is in the Republican budget resolution, so I don't know that they have any room to complain. They had \$35 billion in theirs; we had \$40 billion. So I think we are within the parameters of getting something done that is bipartisan. I hope it is led by reform and efficiency. We should not add big benefits to a program that is going to run out of money until we get some reform.

Mr. INHOFE. Will the Senator yield?
Mr. DOMENICI. Yes.

Mr. INHOFE. First of all, I compliment the Senator on the time and effort he has devoted on probably the most difficult subject and working out some of these problems.

I have an amendment I wish to offer. I understand it is not going to be appropriate until later on. I want to tell you what it is. It is a sense of the Senate on fully funding impact aid. I notice that S. Con. Res. 101 does address this. It says:

It is the sense of the Senate that levels in this resolution assume that impact aid programs strive to reach the goal that all local education agencies eligible for impact aid receive a minimum of 40 percent.

Now my concern would be this. In the State of Oklahoma, overall, we are at about 36 percent now. However, we have some well below that and some above that. In this sense of the Senate, would it be assumed that those below 40 percent would be raised to 40 percent but not that those who are above it would be reduced to 40 percent, or some level lower than they are currently?

Mr. DOMENICI. The Senator is correct.

Mr. INHOFE. Mr. President, later today, I will introduce an amendment to the budget resolution concerning impact aid. It is a sense-of-the-Senate resolution and is very straight forward, it simply recognizes the importance of impact aid and states that it should be fully funded. Now, I realize that there are too few dollars chasing many worthy programs, but impact aid is a promise, that we, the federal government, have made to the states. I believe we should live up to our obligation and fully fund this program.

For those colleagues who are unfamiliar with impact aid, allow me to briefly describe the program. It is one of the oldest federal education programs, dating from the 1950's, and is meant to compensate local school districts for the "substantial and continuing financial burden" resulting from federal activities. These activities include federal ownership of certain lands as well as the enrollment in local school districts of children of parents who work and/or live on federal land. The rationale for compensation is that federal government activities deprive the local school district of the ability to collect property or sales taxes from these individuals (for example, members of the Armed Forces living on military bases, or Native American families living on reservations) even though the school district is obligated to provide free public education to their children. Thus, impact aid is designed to compensate the school district for the loss of tax revenue.

If the program is fully funded, the formula used to determine a local school district payment is fairly straight forward. Each child is assigned a weight based on the type of "federal activity" the family is involved in. For example:

Indian Children on reservations	1.25
Military children on post	1.0
Military children off post	0.1
Civilian children on reservation	1.0
Civilian children off reservation	0.05
Low rent housing	0.1

Next, the weighted student count is multiplied by a cost factor which reflects the greater of one-half of the state average per-pupil expenditure or one-half of the national average per-pupil expenditure. The local school district provides this information to the U.S. Department of Education who in turn writes a check to compensate the district for the loss of revenue.

In my state of Oklahoma, if the Impact Aid Program was fully funded, we would have received \$63 million in fiscal year 2000 as opposed to \$23 million we received. That is a difference of 63 percent. This chart shows what each state would have received in fiscal year 2000 if the program had been fully funded versus what they receive through the formula. As you can see all states do better with full funding and 35 states would have their payment increase by 50 percent or better.

I would be remiss, if I did not acknowledge that the appropriators have worked very hard to increase funding for impact aid. In fact, in each year since fiscal year 1995, there has been an increase in impact aid.

However, I believe we need to realize how not fully funding this program hurts local school districts. When this program is not fully funded, the federal shortfall has to be made up with local dollars which means that projects that would have been undertaken have to be postponed. My staff has done a little research into what type of spending is postponed. What they found is very telling of the type of pressure the federal government is putting on our schools because we fail to fulfill our obligation to them. For instance, the consequences of not fully funding impact aid means schools cannot afford to:

Buy handicapped accessible buses; buy classroom computers; buy computer upgrades; buy textbook replacements/updates; hire teachers to lower pupil teacher ratio; hire necessary staff for Special Education programs; hire necessary staff for Gifted and Talented programs; provide professional development for staff; provide adequate building security; provide for remedial instructional needs; or do basic building maintenance.

Full funding of impact aid means that local dollars that are now being used to offset lack of federal dollars can be used to take care of the above mentioned needs. For the school district it is like getting two dollars for every one dollar because it frees up their dollars to purchase buses, do building maintenance or hire additional staff to lower pupil/teacher ratios.

Mr. President, full funding of impact aid is not a luxury, it is a necessity. Our schools are in a funding crisis that

the federal government has created because we have failed to fulfill our commitment to them. We must compensate them for lost revenue because of federal activity in their area that prevents them from collecting sufficient property and sales taxes. This is not a handout; it is an obligation by the federal government to make school districts whole. I urge my colleagues to support this resolution and join me in asking the appropriators to fully fund impact aid for fiscal year 2001.

Mr. DOMENICI. Mr. President, I might put the importance of Senator INHOFE's amendment into perspective relative to the President's budget. He proposed to cut impact aid \$136 million. We rejected that in our budget resolution, and the Senator, I assume, is on the floor supporting what we did and wanting a clarification.

Mr. INHOFE. Yes. If the Senator will yield further, I do support what the chairman is doing. I would like to do more. Impact aid is a promise; it is an obligation. We have taken things away from the tax base that preclude States from financially supporting their schools, and it happens that between our military installations and our Indian population and some of the unique ways we handle it in the State of Oklahoma, we are impacted greatly by this program.

So I appreciate the fact that the Senator has made an effort to stop the President in his budget from reducing impact aid, but I would like to do a little more if I could.

I thank the Senator.

Mr. DOMENICI. Mr. President, I want to insert in the RECORD—because we speak of the President's budget and Medicare and, frankly, the President talks about how much he wants to spend for prescription drugs. But hidden in the budget are cuts in the program that he assumes will go toward prescription drugs and reform.

I just want everyone to know I don't believe a bipartisan committee in the Senate, or the House, would approve of the President's cuts in this health care program. Hospital cuts in the cycle of this budget for 5 years are \$6.8 billion; \$2.1 billion is reduced in terms of what is going to be allowable from cancer treatment clinics and other outpatient clinics providing certain kinds of drug treatments that are already covered by Medicare, and a \$3.7 billion reduction from the Medicare Choice health plans, including plans in low-cost States, such as Oregon, New Mexico, and Minnesota.

Frankly, I don't think we are going to do that. So when we put our budget together, we rejected that and added \$40 billion in two installments, which was the Snowe-Wyden amendment, and I add Senator SMITH from Oregon as the prime sponsors. I will submit those reductions for the RECORD. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE CLINTON-GORE MEDICARE PLAN

(CBO Estimates, in billions of dollars)

	2001	2001-05	2001-10
Hospital Cuts	-0.4	-6.8	-21.8
Cancer Drugs and Other Drug Cuts	-0.2	-1.0	-2.1
Medicare+Choice Health Plans	0.0	-3.7	-14.5
FFS Selective Contracting, Etc.	0.0	-1.6	-6.0
Other Provider Cuts	-0.3	-2.9	-8.3
Total Provider Cuts	-0.9	-16.0	-52.7
Beneficiary Cost-Sharing	0.0	-0.1	-2.2
Medicare Buy-In Proposals	0.0	-0.1	0.2
Competitive Defined Benefit	0.0	-2.1	-13.7

Mr. DOMENICI. Mr. President, I once again say if any Senators would like to be heard prior to our 12:30 luncheon, I am here to yield time to them. We won't have amendments until after our respective policy and caucus lunches. Since nobody is here, I will make a couple of observations about the American economy.

There are some things about the American economy we continue to call phenomenal. We continue to look at the American production machine, which is a sum total of all the efforts of American workers, American business, American investment. Our gross domestic product, the sum total we have available, is growing and growing. It has reached a very high level of about \$9 trillion.

The world looks at us and wonders how in the world are we doing this. We don't have very much inflation. We have the highest level of employment we have had in decades. We have annual growth that is still shocking the economists who were quite sure we could not sustain the kind of growth we have. We have Europe looking at us and saying maybe we had better get over there and invest, start buying into their companies. We have a country we all were frightened of named Japan. Many people used to come to the floor and say, "Why don't we follow Japan and have a planned economy?" I am very glad nobody chose to do that in America. And look at what happened to the respective competitiveness and growth and prosperity of the two nations. I wish them the best, obviously, but we are doing rather well.

I suggest there are three or four things that make this work. I think we should look at them very carefully because what is going on in the other capitalist countries and democracies in the world is very different. We have been committed to the proposition that America prospers on low taxes. Now I understand that most of us think the percent of the gross domestic product that goes to taxes is too high. There is no question that the percent of our gross domestic product that goes to Federal taxes is the highest it has been since the Second World War. But, in essence, when you compare America's taxing of itself and its activities and its people and its workers, we are a low-tax nation.

I believe if we do not continue to keep it a low-tax nation but, rather, succumb to a high-tax status such as those competitors we have in the world, we are going to end up being ex-

actly like them. A high-tax country, such as Germany, lives with 10, 11 percent unemployment because they have imposed on all their employers to pay for the welfare benefits of their nation. Yet, on top of them, they have to keep very large taxes. They wonder why it doesn't work. We sit over here saying, thank God we are not taxing like them. We haven't yet decided to impose on our businesses, beyond what they ought to be sustaining on their shoulders so they can invest and grow.

Secondly, while we declare regulations, I think the time will come—perhaps with a new President—when we will look carefully at the overregulation in certain areas of the economy, including whether environmental laws are reasonable or unreasonable in many areas, to compare with those competing with us. We don't have regulations that stymie small business and stymie growth.

It is almost impossible for small business to grow in Europe as it does in America because right off the bat their rules and regulations make it practically impossible. We are very fortunate. We have less regulation. We need to have less of a burden of regulation if we want to continue to prosper and grow.

Last theory: Innovation and high productivity are now natural parts of the American economy. We are not sure how all that happened. I believe we are underestimating productivity growth because I don't think we quite know how to do it in a service-oriented economy built on computers and modern technology. But I believe that because of innovation, improving technology, and lowering of prices for technology that productivity is growing at a very high rate. It is higher than we are estimating it.

When you add low taxes and less regulations than our competitors have, urging that we do better in both, that we stick to these lower taxes by putting in a tax reduction in this bill, tax relief that will keep us on that path, and waiting for somebody to occupy the Presidency that will reform our regulatory system and continue not to stymie employers with reference to their workforce, mobility, and so forth, we are going to have great sustained growth for a long time.

I don't choose to lay the credit on who did it, but it is clear that a lot of people are responsible. Congress has done a whale of a job in the last 7 or 8 years in reducing entitlement spending and reducing overall expenditures of Government. It is something of which we can be very proud.

In addition, we entered into a bipartisan agreement that balanced the budget, that had a very significant effect on lowering the cost of Government over that period of time. We should stick to that and not go with something such as the President is asking for, to increase domestic discretionary spending by 14 percent, a risky proposition, I would call it, in light of

the prosperity and how we are going to get it.

What else is new? I have to say the most significant new dynamic is the commitment on the part of the Congress and the President not to spend the Social Security trust fund.

I am very proud I was among the first to challenge the President by saying his idea of saving 62 percent of it was inadequate; let's save 100. I am very proud that I came up with the "lockbox" idea of locking away the Social Security trust funds.

This is the new dynamic I believe over the long run will keep America prosperous because it will continue to pay down the national debt way beyond what anybody ever thought we could. As a matter of fact, if we stay on that path, sometime into the second decade of this century we will totally get rid of the national debt. Most of that is because of the lockbox. Most of that is because of the new dynamic that says don't spend Social Security trust funds.

We are very proud of that. We are glad it is hugely bipartisan now. We take great credit in getting that started and challenging the President, who, for the first time this year, submitted a budget that does not use any of the Social Security money for general government and, I say to my friend, Senator GRASSLEY, the first budget of the President that recognizes the principle that we will not touch Social Security surpluses and locks it up. We still need a vote on a lockbox because that requires 60 votes to breach that line to not use any of the money from Social Security for Government.

When you add all of this up, I believe it is easy to say to Americans that we want to spend more. We want to give you more. The Government should be spending more than the Republicans have in this budget resolution. But I believe we are on the right track.

I think when we put every penny of Social Security money into the trust fund, and then add about \$7 billion or \$8 billion out of the non-Social Security surplus, we are being cautious. We are saying we are not going to spend that non-Social Security surplus. We are going to also put it into the debt.

In closing, the next President has a big job—I hope it comes from our party—because I believe he will find a Government loaded with duplication, loaded with programs that are 30 years old and are not the programs of today, and he will have to find a way to put many of those into a place they should have been for a while; that is, totally removed from the budget of the United States. We will have some real priorities that we have been discussing in our budget resolution talking about where the American people would like to spend more money. It is not on the myriad thousands of Federal programs, many of which should not be around.

With that, if anybody would like to speak, I will yield to them.

Again, at 12:30 we are going to our caucuses. We will be ready for amendments at 2:15.

I yield the floor.

Mr. President, I yield whatever time the Senator from Iowa needs.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I want to address the issue of the agriculture function in this budget.

I thank Senator DOMENICI, chairman of the committee, for the foresight that is represented in this budget, in two respects.

No. 1, for the foresight of including money in the budget for the proposed Federal Crop Insurance Program that already passed the Senate. Last year it passed the House. Hopefully, very shortly it will be sent to the President for his signature so that by the year 2001 the farmers of America will be able to manage their risks to a greater extent and be less dependent upon the political whims of Washington, which sometimes is the case, and whether or not there is a natural disaster. Will Congress pass the disaster aid? That is passed to help family farmers, not only when you have a drought but also when we have floods, hurricanes, and earthquakes. When there is a natural disaster, money is appropriated to help people in need at that particular time.

Last year, Senator CONRAD of North Dakota and I were able to have money included in the bill anticipating the availability of funds in case Congress passed crop insurance reform. The House got the job done last year. The Senate did not get it done until this year. We are building upon that \$6 billion which was put in last year's budget with money through the year 2005 for the continuation of that program.

I thank Senator DOMENICI and members of the budget committee for the foresight of encouraging risk management by the American family farmer rather than relying upon the political whims of Congress. Sometimes the family farmers find themselves in that position when there is not adequate crop insurance protection. This is where the individual family farmer makes a decision to participate.

By having a better Crop Insurance Program, we hope we will not only encourage participation by a number of farmers but also encourage their participation at a higher level of protection than ever before.

We think this budget and the program that passed the Senate give encouragement to farmers. We are trying to give one more additional tool to the farmers. That should have passed in 1996, the last time the farm bill was passed. It was a tool that was supposed to be given to farmers at that time but it was not.

So at this late stage with this budget, finally we are fulfilling one more promise of the Congress in the 1996 farm bill to give farmers continuity through a longer farm program, rather than the usual 3- to 4-year farm pro-

gram, and tools to manage their own decisions rather than waiting upon bureaucrats in Washington, DC, to make those decisions as to what the farmer can plant and how much of each commodity can be planted in order to qualify for the farm program.

Beyond that, this budget also includes \$5.5 billion of additional payments for the year 2002 and beyond so we can help keep the promise to the farmers that Congress made in the 1996 farm bill that there would be a sound safety net for the farmers throughout the life of the 1996 farm bill.

In 1996, we projected it would cost \$43 billion for the crop-years throughout the 7-year farm bill. We anticipated then a certain amount for the year 2002 as we did in 1999 and 1998. Because of the lowest crop prices in 25 years, what we projected in 1996 to be that safety net for farmers was not adequate. So in 1998 there was additional money injected late in the budget year and also at the end of the crop-year. In the year 1999, there was an additional amount of money at the end of the budget year and at the end of the crop-year.

Congress was expressing its commitment to the family farmer to keep a safety net and income support for farmers when there were things in the price scheme for grains beyond the control of the individual farmer. That dates strictly back to the Southeast Asia crisis when exports took a downturn and to the unpredictability of four very good crop-years, bringing the lowest level of income for farmers for 1998 and 1999 for grains, and in some cases livestock that was the lowest in 25 years. Congress then put in additional money in 1998 and 1999.

This budget is somewhat different. This particular budget—again I say this to compliment the Senator from New Mexico for his foresight—includes \$5.5 billion because we expect the same low prices for the 2002 crop-year as we expected in 1998 and 1999. It might turn out otherwise. From everything we know now, that tends to be the situation. The compliment is not only for the \$5.5 billion in this budget; it is for the foresight that is represented by having it figured in ahead of time—not at the end of the crop-year, not at the end of the budget year but at the beginning of the budget year and about the time that farmers are getting their loans lined up for this crop-year and about the time they are planting this crop-year so the farmers go into this crop-year with more certainty than they had in 1998 and 1999. The Congress would keep its commitment to make sure there was a smooth transition and that there was a sound safety net for farmers as promised in the 1996 farm bill.

Everyone knows the simple common-sense answer to prosperity in agriculture is the ability to export. The only way there is going to be profitability in farming is through the ability to export. When you are a farmer in the Midwest and you produce more

than one-third for domestic production, you know that the only way there will be money made, the only way there will be higher prices is if there is a worldwide demand and you are able to export.

We talk about a safety net and about appropriating \$5.5 billion that was not anticipated when the 1996 farm bill was passed. I say that in the vein of helping farmers keep things together. It is not profitability in farming. When it comes to income of farmers, common sense dictates two sources of that income: One, public money coming through the farm program but not guaranteeing profitability or, two, from the private sector, which basically means the ability to export and to have those export markets and having our Government do what it can to promote our exports so we find foreign markets. That is where the profitability lies. That is where the American farmers want to receive their income—from the private sector and not from the public treasury.

However, we cannot always anticipate four good crop-years in a row to bring about an abundance of production and a downturn in prices. We cannot anticipate the Southeast Asia crisis or other things that tend to bring about a downturn. The Southeast Asia financial crisis brought a downturn in exports. That is why we have the 1996 farm bill. That is why we have the safety net we promised. That is why in this budget we are supplementing that by \$5.5 billion.

For the taxpayers who are listening and wondering why they would be helping the family farmer, that there ought to not be more control by the individual family farm manager—that is the farmer himself, in his productivity and his ability to export—I think I have answered that question to some extent. Whether you have a drought or whether you have a massive amount of rain that will produce in overabundance, the farmer is not in control. When governments in Southeast Asia made bad judgments as to their banking industry and we had the Southeast Asia financial crisis and the economies in a downturn over there and we did not export to them, those were all things beyond the control of the individual family farmer—hence, a safety net for the family farmer and consequently some costs to the taxpayers.

What does a person in the city or the general taxpayer get out of this contract we have with the family farmers of America, this social contract? They surely get an abundance of food so when they go to the supermarket they don't have to worry about whether there is enough food. That is not true a lot of places outside the United States, places with malnutrition, where there are droughts and where they live from hand to mouth for a daily supply of food.

It used to be that in the Soviet system of agriculture, and of their command and control economy, consumers

in Russia did not find their supermarket shelves stocked as well as they were in the United States of America.

For the consumers who think they are paying too much for their food, I suggest that as a percentage of their disposable income they are spending less on food than any consumer in any country in the world. Consequently, we do have this social contract between the people of this country and the family farmers of America to maintain a safety net so there is a stability that maintains the institution of the family farm. The institution of the family farm is that entity that guarantees to the consumer of America this supply of food that is in good quantity and in good quality, at the lowest percentage of disposable income to pay for it of any consumer in the world.

I hope we make it clear in this budget that Senator DOMENICI has put together that we are keeping our commitment to the family farmer, making sure there is an adequate supply of money for the safety net we promised in the 1996 farm bill.

We are giving the consumer, the other half of this social contract, a guarantee of an adequate supply of food, good quality food at a low price, and we are also giving farmers some tools to manage their own businesses to a better extent through money for the Crop Insurance Program so, in turn, they are not subject to the whims of each Congress, whether or not we are going to appropriate the money that ought to be appropriated to meet our commitment to be an insurer of last resort—in other words, appropriating the right amount of money wherever natural disasters might happen, whether it be earthquakes in California or droughts in the middle west.

I hope we are not going to hear on the floor of the Senate during this budget debate that we do not have a safety net for farmers. What do our colleagues think this \$5.5 billion is for or the \$9 billion-some we appropriated in 1999, or the \$6.5 billion additional supplement we appropriated in the crop-year 1998, in addition to the \$43 billion that was in the 1996 farm bill, total for the next 7 years? If that is not a safety net, what is a safety net?

If somebody comes up here and says the present farm bill is not a very good farm bill, all they have to do is go back to the old farm bills that were in existence from the 1930s until 1996. We saw Congress supplementing the old farm bills because the safety net that we suspected would be needed for the ensuing years of that farm bill was not adequate. I do not want somebody to say there is a big tear in the safety net for farmers under the 1996 farm bill because there have been big tears in farm bills for previous years when Congress added funds.

The fact is, Congress uses the best judgment based on what climatologists and economists can give us to make our decisions about what we ought to provide in a farm bill for whatever the

duration of that farm bill. This one is 7 years; previous ones have been 5, 4, and 3. But, as best as we can guess ahead when we pass that farm bill, we cannot anticipate all the exigencies that might come about in those ensuing years. So we find Congress responding to that safety net that might have a hole in it from time to time, to knit that hole in the safety net so we keep our commitment to the family farmers that we are not going to keep them hanging out there by themselves, whether because of natural disaster or political decisions made in some foreign country or even domestic political decisions made in this country or even international trade decisions that are made that are beyond the control of this Congress. Some of the exigencies are only in the hands of God. Can we anticipate all of those? No, we cannot, whether it is under a Democrat or Republican President, whether it is under a Democrat Congress or a Republican Congress. We have people making judgments, when we pass a farm bill, of what are going to be the situations with weather and world economics over the next few years. We make the wisest decisions that can be made based on the information that is available. Still, sometimes we come up short.

I do not want to hear anything about not having a safety net for farmers, or our not keeping our commitment to American farmers for that safety net with the anticipation that this world economy is going to turn around and this oversupply that has come from 4 good crop-years—not only in the United States but worldwide, to bring about an oversupply—is not going to be with us all the time and we are going to, again, pick up our exports; we are going to, again, have somewhat normal production. The farmer is going to get that profit from the marketplace that is anticipated.

All we are doing in this farm bill, as we did in 1998 and 1999, is keeping our commitment that when the profitability in the marketplace is not there the Congress of the United States is going to keep its commitment—the social contract we have between the people of this country and the family farmer—that there is going to be a supply of food of a good quality, good quantity, and at a price the consumer can afford.

I thank the chairman of the committee for his commitment to the farmers of America I yield the floor.

THE PRESIDING OFFICER (Mr. HAGEL). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank Senator GRASSLEY, not only for his kind remarks but for his observations, which are totally accurate. I think that was a very good summary of where we are, where we have been, and what we are trying to do in this budget resolution for the farmers in this country.

I think the Senator knows. He was here, giving this few moments of reflection, anticipating somebody will always want more, and we will be confronted with that, even on this budget resolution. I thank the Senator for his statement. I will be using it later on, within the next 2 or 3 days.

Senator SPECTER wants to speak. I will yield to him as much time as he would like from our side, if I might first make two observations.

First, I wish to summarize the tax situation to which I alluded, in terms of taxes on America imposed by government. The total tax burden today—that is, State and local and Federal—has never been higher. Second, the Federal tax burden has never been higher, except at the end of World War II. Those who talk about rates and who pays and talk about the article that was in the Washington Post a few days ago, ignore some things about middle-income Americans I will address later. But actually the total amount of money the Federal Government takes, as a portion of the productivity of America, has never been higher since the Second World War as a percent of the gross domestic product.

Third, the U.S. is in a period of budget surpluses, which are projected to grow, for certain over the next decade and maybe for decades beyond that. So, in a sense, we are beginning to define the surplus. We Republicans say that except for that which is Social Security, some portion of the surplus should go back to the taxpayer because it represents overpayment. When you have an overpayment, you do not immediately run to spend the money; you want to do something to recognize it is more than you need. In this case, we want to give some back. The President has a difficult time even recognizing that in his budget. He cannot find a way, in a bona fide manner, to support a tax cut for the American people. He talks about cuts but he raises taxes more than he cuts. He cannot seem to come to the conclusion that a little piece of that surplus should go back to the American people.

I yield the floor. I yield to Senator SPECTER as much time as he desires.

The PRESIDING OFFICER. The Senator from Pennsylvania.

OVERSIGHT POWER

Mr. SPECTER. Mr. President, I have sought recognition to comment on a pending inquiry by the Judiciary subcommittee on oversight on the Department of Justice related to two subpoenas which were issued by the full Judiciary Committee to two individuals, one a former assistant U.S. attorney for the Central District of California and the second, a current employee at the Department of Justice, here in Washington, DC.

The reasons for the request of the issuance of these subpoenas have been set out in the public record in a variety of places, but I thought it useful to

summarize the background of the applicable law at this time because there is some public concern about exactly what is going on, why it is going on, and what are the precedents.

Yesterday in the respected Legal Times, there was a balanced account of the request for the subpoenas and the issuance of the subpoenas, but the account, as is necessary in a relatively short publication, did not spell out in detail all of the background, which I propose to do at this moment. Some of what I say on the floor of the Senate will be supplemented by a memorandum which I will ask to be made a part of the RECORD.

The essential facts are these: The oversight subcommittee is looking into the plea bargain entered in the case of a man named Dr. Peter Lee in 1998. Dr. Lee had confessed to two very serious instances of espionage. In 1985, Dr. Lee provided to the scientists of the People's Republic of China information about nuclear energy. In 1997, Dr. Lee again provided to scientists of the People's Republic of China information about detecting submarines.

When the matter moved through the process between the assistant U.S. attorney in California to the Department of Justice, involving the Navy and the Department of Energy, there was a serious failure of communication.

I interviewed the assistant U.S. attorney at length in Los Angeles on February 15, and that individual told me—and it is a part of the record—that he was denied permission to seek a serious charge against Dr. Lee but was authorized only to file a criminal complaint under section 1001 of 18 U.S.C., a false statement, but could not file serious charges of espionage.

Records of the FBI and the Department of Defense, which our subcommittee has uncovered after laborious, painstaking efforts, disclose that the Department of Justice was prepared to authorize a prosecution under 794, which is a serious espionage statute which carries a penalty of up to life in prison or the death penalty. I am not suggesting the death penalty was appropriate or life in prison was appropriate, but that is what was provided. Those serious penalties are sometimes used as leverage to get cooperation or further information, something I saw in some detail when I was district attorney of Philadelphia.

The assistant U.S. attorney says he knew nothing about that. The plea bargain was entered into before there was a damage assessment. After the damage assessment was completed, Department of Energy officials classified the disclosures in the secret category. The Navy Department wrote an ambiguous letter at one stage on November 14, 1997, a letter which was hard to understand because the damage assessment had not been made and, in fact, the Department of the Navy and the Department of Defense, did not make a damage assessment until requested to do so by the Judiciary oversight subcommittee.

When that damage assessment was finally made, they came to the conclusion that it was, in fact, classified information. They disagreed with the Department of Energy's secret classification but did classify it at the confidential level.

Through all of this sequence of events, the key official in the Department of Justice in Washington, DC, has declined to be interviewed. This individual is the key person who dealt with the assistant U.S. attorney in Los Angeles and who dealt with the Department of the Navy.

This is, obviously, a matter of enormous importance. When one combines what was done with Dr. Peter Lee with what was done with Dr. Wen Ho Lee, who is now under indictment, where the Attorney General of the United States admitted she did not follow up on an FBI request for a warrant under the Foreign Surveillance Intelligence Act but delegated it to a subordinate who had no experience in the field. Attorney General Reno failed to follow up on it, and in fact the FBI let the matter lie dormant for 16 to 17 months, and when you add to that other plea bargains in the Department of Justice on campaign contributions involving John Huang, Charlie Trie, and Johnny Chung, and the technology transfer to the People's Republic of China over the objections of the Department of Justice which was conducting a criminal investigation, there is a great deal which needs to be done.

Isolating and focusing for a moment just on the Dr. Peter Lee case, that is what we are looking at and that is why we have asked for the subpoenas.

The arguments in the Judiciary Committee have raised the point that this is an unprecedented event, but that in fact is not true. The Congressional Research Service summarized this issue as follows, and I will be submitting a memorandum which has a fuller citation of authority:

In the majority of instances reviewed, the testimony of subordinate DOJ employees, such as line attorneys and FBI field agents, was taken formally or informally, and included detailed testimony about specific instances of the Department's failure to prosecute alleged meritorious cases.

This goes beyond closed cases but goes to cases which are pending and which are currently being investigated. We have seen a repeated effort by the Department of Justice, under Attorney General Reno, to use a pending investigation as a roadblock to providing congressional oversight, but in fact the cases are to the contrary.

The authority for these issues goes back as far as Teapot Dome and extends as recently to last year with the Committee on Governmental Affairs of the Senate. In Teapot Dome, the select committee heard testimony from scores of present and former attorneys and agents of the Department of Justice. Some of the cases upon which testimony was offered were still open at the time.